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Redevelopment Board Minutes 02/02/2009

Arlington Redevelopment Board
 Minutes of February 2, 2009

Members Present: Andrew West (Chair),
 Chris Loreti (Vice Chair)
 Roland Chaput
 Bruce Fitzsimmons

Also Present: David Berry

Andrew West, Chair, called the meeting to order at 7:05 p.m.

Andy West asked Doug Manz to explain JPI's request to extend the deadline by which JPI must apply and pay the permit fee for the building permits for the Symmes Hospital site development project; in addition, the request includes an extension for the deadline for deciding about the Medical Office Building (MOB). The current deadline is February 2, 2009.

Doug Manz explained that there has not been any change in the finance markets. Symmes Redevelopment Associates (SRA) continues to seek a conventional market rate loan. In addition, SRA has explored the bond loan market. However, SRA has decided to hold on seeking this source of loans, due to the requirement that all of the units remain rental for 15 years. Doug Manz explained that SRA has decided to write down its equity in the project (that is, the cost of the project spent to date) in order to reflect the new economy and lending market. Also, writing down this equity will bring the cost of the project from \$90 million to \$75 million, making the project more attractive to potential lenders. SRA is also seeking additional funding from some of the existing partners, including E.A. Fish.

Roly Chaput asked whether this write-down would affect the quality of the project. Doug Manz said that it would have no impact on the quality of the project. Bruce Fitzsimmons asked whether SRA had sought any other non-traditional source of financing.

Doug Manz responded that only the bond loan option had been investigated. Chris Loreti asked whether SRA had contacted John Griffin of the Arlington Housing Authority (AHA); the AHA had earlier expressed an interest in acquiring all affordable units as condos. Doug Manz said that SRA had not contacted them. He noted that if SRA were to sell the affordable units, it might be necessary to finance the affordable units differently from the market rate units, especially if the bond option were to be utilized. In addition, there would then be the issue of having two different landlords or owners on the site. He agreed, though, to contact John Griffin at the AHA.

Chris Loreti asked whether SRA had explored the option of utilizing pension funds for the financing. Doug Manz said that SRA had explored this option, but noted that using union pension funds would require employing union labor, which would increase the cost of the project by approximately 25%.

Regarding the amounts outstanding owed to vendors that have already completed work on the project, Doug Manz explained that SRA has reached agreement, or is near agreement, with almost all of the vendors to extend the payment obligations. The amount of outstanding payables is about \$1 million, owed for architectural fees, site preparation, construction, legal fees, etc.

Doug Manz emphasized that going forward SRA remains strongly committed to the project, believing that there is still a lot of value in the project, even with the write-down. SRA does need additional time to continue the re-structuring, and for the loan market to stabilize. SRA still prefers conventional funding to the other options. Roly Chaput asked if this re-structuring affected JPI's partnership. Doug Manz responded that the re-structuring does not affect the partnership. He noted that the re-structuring re-sets and changes the basis of the project, adding that SRA faces the risk of breaking even, or perhaps even losing money as a result. Bruce Fitzsimmons noted that the sum of the sunk costs may not be covered by the loans, and Doug Manz confirmed this observation. Roly Chaput asked about the mezzanine funding, and Doug Manz said that there would be no mezzanine funding under the re-structured arrangement.

Andrew West asked what timeframe was needed for the deadline extensions. Doug Manz said that originally SRA had considered a 4-month extension request, but had settled on a 2-month extension instead, perhaps to mid-April. SRA would update the ARB on the status of the funding monthly.

Chris Loreti noted that the ARB must address the issue of development options for the MOB site. He requested that SRA draft a list of development options that the ARB could review with the Selectmen and then present to the Annual Town Meeting (ATM), which begins on April 28th. He emphasized that all compatible and viable options should be included on the list. Doug Manz agreed to provide such a list by the first of March, and to also list those options that would not be considered compatible or viable.

Chris Loreti added that, if the development options were to be expanded, he preferred that SRA support elimination of the right of first refusal from the Land Disposition Agreement (LDA) should the Town eventually take back the MOB site. Doug Manz responded that SRA might be willing to support eliminating this provision from the LDA if there were assurances that the development of the MOB site would be compatible with the use of the rest of the project. Doug Manz noted that the Symmes Neighborhood Advisory Committee (SNAC) should also share its views on compatible MOB site uses.

Michelle Barry, a SNAC member, asked that the list of uses be provided to SNAC as soon as possible. Doug Manz said that he could get the list to SNAC within about 2 or 3 weeks. Michelle Barry asked when the ARB would like to settle on the compatible uses. Andrew West responded that the ARB should finalize the list for presentation to the ATM by about a month prior to the commencement of the ATM, or by about the end of March. BethAnn Friedman noted that any uses of the MOB site must provide services to the entire community. Andrew West agreed, but emphasized that the initial list of uses should include the full range of compatible and viable uses. Beth Ann Friedman asked whether the Town would consider using the MOB site for open space if no other use was compatible and viable. Chris Loreti noted that open space had not been considered for the site, and that the Town was aware that a major intent has been to generate tax revenues from the site. Roly Chaput added that the ARB must remain sensitive to the original purposes of the project and the MOB site in particular, and not stray too far from these purposes. Lorelei Kolegue noted that the Town Meeting had approved the project with the promise that the MOB site would be used for certain medical uses, but now those uses were being represented as not viable—Had the Town Meeting been misled? Andrew West and Chris Loreti said that the Town Meeting had not been misled, since the LDA had included from the beginning the option that allows SRA to forfeit the MOB site for \$500,000 in the event that SRA could not find a medical office building use for the site.

Lorelei Kolegue asked about the present use of the project site by the Town for dumping snow, noting that the gates to the site were not being locked, thus creating security issues. She asked who was liable for any damage or injury caused by unauthorized use of the site. Doug Manz responded that the site is owned by SRA, and thus SRA is liable. After further discussion, Doug Manz agreed to contact the Department of Public Works to resolve the security issue. Lorelei Kolegue also commented about not taking a promised tour of the site even though it was requested. Doug Manz agreed to consider providing a tour in the spring.

On separate motions by Bruce Fitzsimmons, each seconded by Roly Chaput, the ARB voted, 4-0, to authorize Kevin O'Brien to amend and execute the letters, both dated December 16, 2008, that set the current deadlines regarding the building permits and MOB site. The amendments would affect only the deadlines, establishing a new deadline for each action from February 2, 2009 to April 15, 2009.

The next item on the agenda was the Thorndike Park parking lot design. The issue, as framed by Chris Loreti, is whether the latest design requires a special permit under Environmental Design Review (EDR). The latest design reduces the number of parking spaces and adds a turn-around at the end of the lot. Chris Loreti emphasized that, while the ARB should not attempt to

design public parks, it should review any aspects of the adjacent parking lot covered by EDR. He cited Section 9.10 of the Zoning Bylaw (ZBL) on special permits in support of the need for a special permit:

"... Except as hereinafter provided, whenever a structure or lot is occupied by a use such as would require a special permit pursuant to Section 5.04, and Section 11.06 when applicable, if such activity were to commence as a new use thereon, then any reconstruction, alteration, addition or extension of such use or of an existing or destroyed structure shall be undertaken only pursuant to special permit(s) issued therefore, ..."

Chris Loreti pointed out that, if this were a new use, it would require a special permit under Section 5.04, and it is an *alteration* proposed for the lot—thus, the proposal does require a special permit. Bruce Fitzsimmons agreed with Chris Loreti, and added that Section 11.06b.3 states that parking in the Open Space District shall be subject to a special permit under EDR. He noted that, since this section refers to "parking areas" and not to "parking spaces," the fact that no new spaces are proposed is not relevant. Bruce Fitzsimmons added that Section 5.04, Use 5.05, Automobile parking areas or structure owned or operated by the Town or other governmental agency, requires a special permit in the Open Space District, which is the district in which Thorndike Park is located.

It was noted that several of the spaces on the proposed plan appear to be compact spaces. Chris Loreti noted that the Building Inspector cannot approve compact parking spaces—they require a special permit under Section 8.12a.11 of the ZBL. (Note also, that since the parking lot is in the Open Space District—see Section 11.06b.3—the special permit must be an EDR special permit.)

Chris Loreti also noted that there was no bike rack on the plan. He would like to see one added to the plan, as bicycle parking is required for larger parking lots subject to EDR. Roly Chaput agreed with these conclusions, stating that the Park & Recreation Commission should be notified that the proposal requires EDR; and that the ARB review should focus on the EDR aspects of the proposal, and not on the design aspects.

The ARB discussed and agreed on the following changes to the Draft Changes to the Regulations for Environmental Design Review (approved changes in *italics*):

Paragraph 4.b.2: Site plan and elevation drawings of Proposal *showing graphic scale and north arrow on each drawing*, per Bylaw Section 10.11-c.

Paragraph 4.b: Add to the end of the second paragraph: *The application submittal, plus any subsequent submittals, shall be received by the Department of Planning and Community Development no later than the Wednesday prior to the scheduled meeting at which said materials are to be reviewed.*

Paragraph 5.d: Failure by the applicant to pay these consultant fees within 21 days ...

Paragraph 8: Add *Historic District Commission and Open Space Committee* at the end of the list.

Paragraph 13: Does the evidence of the recording have to be provided for the special permit to take effect? Or does only the special permit have to be recorded to take effect? Also, how does the Building Inspector know that the special permit has been recorded, and that the evidence of its recording has been provided?

Paragraph 15: Change the last sentence to read: If an application is withdrawn and then re-filed, the filing date which establishes the 65-day period in MGL Chapter 40A, Section 9, *within which the public hearing must be commenced*, shall be the last date.

The ARB agreed on all of the other changes not listed above. All changes should be made and the draft regulations re-submitted to the ARB for final approval.

The ARB agreed to continue the trial process regarding its review of ZBA special permit dockets in accordance with the procedure outlined the Kevin O'Brien memo dated February 2, 2009, included in the meeting packets. Chris Loreti had a comment on one of the dockets in the packet, but would send an email to Kevin O'Brien to explain his comment.

Chris Loreti noted that the proposed amendment to the ZBL that would prohibit parking and access roads in the front yards of properties in the B4 District would affect gas stations, all of which are in a B4 District. He suggested that the ARB ought to consider whether this impact is intended, and decide if it wants to prohibit parking in the front yard of these properties. If not, then the warrant article could be amended to exclude gas station properties.

The meeting adjourned at 9 p.m.

Respectfully submitted,
David A. Berry, (Acting Secretary ex officio)